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(3) Other records and documents shall be made available as necessary.

(4) Records and documents shall be made available in Kansas.

(5) Each provider, when requested, shall furnish the agency with copies of resident service charge schedules and changes to them as they are put into effect. The charge schedules shall be evaluated by the agency to determine the extent to which they may be used for determining program payment.

(6) Suspension of program payments may be made if the agency determines that any provider does not maintain or no longer maintains adequate records for the determination of reasonable and adequate per diem rates under the program, or the provider fails to furnish requested records and documents to the agency. Payments to that provider may be suspended.

(7) Thirty days before suspending payment to the provider, written notice shall be sent by the agency to the provider of the agency's intent to suspend payments, except as provided in K.A.R. 30-10-15b(e)(2). The notice shall explain the basis for the agency's determination with respect to the provider's records and shall identify the provider's record-keeping deficiencies.

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(8) All records of each provider that are used in support of costs, charges, and payments for services and supplies shall be subject to inspection and audit by the agency, the United States department of health and human services, and the United States general accounting office. All financial and statistical records used to support cost reports shall be retained for five years after the date of filing the cost report with the agency.

(e) Desk review requirement.

(1) Each provider shall submit all information requested by the agency that shall be necessary to complete the desk review of the cost report.

(2) If a provider does not submit the information deemed necessary by the agency to complete the desk review of the cost report, the provider shall be notified in writing by the agency that it has ten working days from the date of this notice to submit the required information or the Kansas medical assistance program payments shall be suspended.


(f) The effective date of this regulation shall be on and after January 1, 1999. (Authorized by and implementing K.S.A. 1997 Supp. 39-708c; effective May 1, 1985; amended May 1, 1987; amended May 1, 1988; amended Jan. 2, 1989; amended Jan. 2 1990; amended, T-30-10-1-90, Oct. 1, 1990; amended Jan. 30, 1991; amended Oct. 28, 1991; amended Nov. 2, 1992; amended Jan. 1, 1999.)

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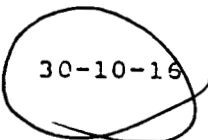
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30-10-16

30-10-16. This rule and regulation shall expire on July 1, 1991. (Authorized by and implementing F.S.A. 39-708c, as amended by L. 1990, Chapter 152; effective May 1, 1987; amended Jan. 2, 1989; amended, T-30-10-1-90, Oct. 1, 1990; amended Jan. 30, 1991; revoked July 1, 1991.)

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30-10-17. Cost reports. (a) Historical cost data.

(1) For cost reporting purposes, each provider shall submit the nursing facility financial and statistical report in accordance with the "instructions for completing the nursing facility financial and statistical report (MS-2004, revised December 1998)," which is hereby adopted by reference. The MS-2004 cost report shall be submitted on diskette, using software designated by the agency for cost report periods ending on or after December 31, 1999.

(2) Each provider who has operated a facility for 12 or more months as of December 31st shall file the nursing facility financial and statistical report on a calendar year basis.

(3) Each provider who has operated a facility on cost data from the previous provider or a projected cost report shall file an historical cost report.

(A) The historical cost report period shall begin according to either of the following schedules:

(i) On the first day of the month in which the nursing facility was certified if that date is on or before the 15th of the month; or

(ii) on the first day of the month following the date the nursing facility was certified if that date is on or after the 16th of the month.

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(B) The historical cost report shall end on the last day of the 12-month period following the date specified in paragraph (A) above, except under any of the following conditions:

(i) The cost report shall end on December 31st when that date is not more than one month before or after the end of the 12-month period.

(ii) The cost report shall end on the provider's normal fiscal year end used for the internal revenue service when that date is not more than one month before or after the end of the 12-month period and the criteria in K.A.R. 30-10-18 for filing the cost report ending on December 31st does not apply.

(iii) The cost report shall end on the last date of service if a provider change occurs before 11 months of operation and the interim rate was based on a projected cost report.

(C) The historical cost report period shall cover a consecutive period of time not less than 11 months and not more than 13 months.

(D) The provider shall file a subsequent overlapping 12-month historical cost report for the calendar year ending December 31st, if the first cost report does not end on that date.

(b) Projected cost data.

(1) Projected cost reports for providers.

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(A) If a provider is required to submit a projected cost report under subsection (c) or (g) of K.A.R. 30-10-18, the provider's rate shall be based on a proposed budget with costs projected on a line item basis.

(B) The projected cost report for each provider who is required to file a projected cost report shall begin according to either of the following schedules:

(i) On the first day of the month in which the nursing facility was certified by the department of health and environment if that date is on or before the 15th of the month; or

(ii) on the first day of the following month if the facility is certified by the department of health and environment between the 16th and 31st of the month.

(C) The projected cost report shall end on the last day of the 12-month period following the date specified in paragraph (B) above, except under either of the following conditions:

(i) The projected cost report shall end on December 31st when that date is not more than one month before or after the end of the 12-month period.

(ii) The projected cost report shall end on the provider's normal fiscal year-end used for the internal revenue service when that date is not more than one month before or after the end of the 12-month period and the criteria in K.A.R. 30-10-18 for filing the projected cost report ending on December 31st do not apply.

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(D) The projected cost report period shall cover a consecutive period of time not less than 11 months and not more than 13 months.

(E) The projected cost report shall be reviewed for reasonableness and appropriateness by the agency. The projected cost report items that are determined to be unreasonable shall be disallowed before the projected rate is established.

(2) Projected cost reports for each provider with more than one facility.

(A) Each provider required to file a projected cost report in accordance with this subsection and who operates more than one facility, either in state or out of state, shall allocate central office costs to each facility that is paid rates from the projected cost data. The provider shall allocate the central office cost at the end of the provider's fiscal year or the calendar year that ends during the projection period.

(B) The method of allocating central office costs to those facilities filing projected cost reports shall be consistent with the method used to allocate the costs to those facilities in the chain that are filing historical cost reports.

(c) Amended cost reports.

(1) Each provider shall submit an amended cost report revising cost report information previously submitted when an error or omission is identified that is material in amount and results in a change in the provider's rate of \$.10 or more per resident day.

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(2) An amended cost report shall not be allowed after 13 months have passed since the last day of the year covered by the report.

(d) Due dates of cost reports.

(1) Each calendar year cost report shall be received not later than the close of business on the last working day of February following the year covered by the report.

(2) Each historical cost report covering the first year of operation shall be received by the agency not later than the close of business on the last working day of the second month following the close of the period covered by the report.

(3) Each cost report approved for a filing extension in accordance with K.A.R. 30-10-17(e) shall be received not later than the close of business on the last working day of the month approved for the extension request.

(e) Extension of time for submitting a cost report.

(1) A one-month extension of the due date for the filing of a cost report may be granted by the agency when the cause for delay is beyond the control of the provider. Delays beyond the control of the provider that may be considered by the agency in granting an extension shall include the following:

(A) Disasters that significantly impair the routine operations of the facility or business;

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(B) destruction of records as a result of a fire, flood, tornado, or another accident that is not reasonably foreseeable; and

(C) computer viruses that impair the accurate completion of cost report information.

(2) The provider shall make the request in writing. The request shall be received by the agency before the due date of the cost report. Requests received after the due date shall not be accepted.

(3) A written request for a second one-month extension may be granted by the Kansas medical assistance program director when the cause for further delay is beyond the control of the provider. The request shall be received by the agency before the due date of the cost report, or it shall not be approved.

(f) Penalty for late filing. Each provider filing a cost report after the due date shall be subject to the following penalties.

(1) If the complete cost report has not been received by the agency by the close of business on the due date, all further payments to the provider shall be suspended until the complete cost report has been received. A complete cost report shall include all the required documents listed in the cost report.

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(2) Failure to submit the cost report within one year after the end of the cost report period shall be cause for termination from the Kansas medical assistance program.

(g) Balance sheet requirement. Each provider shall file a balance sheet prepared in accordance with cost report instructions as part of the cost report forms for each provider.

(h) Working trial balance requirement. Each provider shall submit a working trial balance with the cost report. The working trial balance shall contain account numbers, descriptions of the accounts, the amount of each account, and the cost report expense line on which the account was reported. Revenues and expenses shall be grouped separately and totaled on the working trial balance and shall reconcile to the applicable cost report schedules. A schedule that lists all general ledger accounts grouped by cost report line number shall be attached.

(i) An allocation of expenditures between the hospital and the long-term care unit facility shall be submitted through a step-down process prescribed in the cost report instructions.

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